

Wisconsin Electric Power Company  
Wisconsin Gas LLC  
Rate Case TY2023  
05-UR-110  
PSC-KS-1

Respondent: Stacey Ainsworth

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KS-1.2: For approved buy/sell or construction projects that have exceeded the authorized project cost which are included in this application, explain and identify the drivers for the excess costs and identify any cost mitigation efforts.

RESPONSE:

Due to ongoing supply chain issues and inflationary pressures, costs are expected to increase since the commission approved Badger Hollow II in Docket 5-BS-234. Badger Hollow II's plant in service amount of \$141.2M included in the rate case file currently exceeds the Commission's approved amount of \$129.9M

The company is working to procure the solar panels and all materials as efficiently as possible in the current environment. The Company is working with the developer to negotiate a potential change order with the developer that, once finalized, will be filed in docket 5-BS-234 consistent with the associated Commission Order. In the interim, for the purposes of developing the test year forecasted financial statements, the Company utilized a reasonable estimate of potential additional costs to complete the project.

In Docket 5-CG-107, the WEPCO Gas AMI modules and network upgrades project includes \$13.7M plant in service in the current test year, exceeding the \$13.2M commission approved amount. Additional review of the in-service amounts indicates an overstatement of \$0.5M, which should be reduced to reflect the Commission-authorized amount.

In Docket 5-CG-107, the WG Gas AMI modules and network upgrades project includes \$17.8M plant in service in the current test year, exceeding the \$17.1M commission approved amount. Additional review of the in-service amounts indicates an overstatement of \$0.7M, which should be reduced to reflect the Commission-authorized amount.